ORIGINAL

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BEFORE THE ARIZONA CORPORATION COMMISSION

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2015 MAY 14 P 2 03

AZ CORP COMMISSION
DOCKET CONTROL

COMMISSIONERS

SUSAN BITTER SMITH, Chairman
BOB STUMP
BOM BURNS
TOM FORESE
DOUG LITTLE

IN THE MATTER OF THE APPLICATION OF CHAPARRAL CITY WATER COMPANY FOR A DETERMINATION OF THE CURRENT FAIR VALUE OF ITS UTILITY PLANT AND PROPERTY AND FOR INCREASE IN ITS RATES AND CHARGES BASED THEREON – A SYSTEM IMPROVEMENT BENEFITS SURCHARGE PLAN OF ADMINISTRATION PER DECISION 74568.	DOCKET NO. W-02113A-13-0118 DECISION NO. 74860 & 74568 NOTICE OF COMPLIANCE FILING

In compliance with Decision Nos. 74860 and 74568, Chaparral City Water Company hereby files the attached semi-annual status report as outlined in the System Improvement Benefit Mechanism (SIB) Plan of Administration as a compliance item in this docket.

RESPECTFULLY SUBMITTED on May 14, 2015.

Sandra L. Murrey
Rate Analyst
EPCOR Water Arizona, Inc.
2355 W. Pinnacle Peak Rd, Suite 300
Phoenix, AZ 85027

Original and 13 copies **filed**
on May 14, 2015, with:

Docket Control
Arizona Corporation Commission
1200 West Washington Street
Phoenix, Arizona 85007

Copies of the foregoing **emailed**
on May 14, 2015 to:

Brian K. Bozzo
Compliance and Enforcement Manager
Utilities Division
1200 West Washington Street
Phoenix, AZ 85007

Arizona Corporation Commission
DOCKETED
MAY 14 2015
DOCKETED BY RC

- SIB Plant Table II (Sample attached as Exhibit 2) – The schedule of completed and verified SIB eligible projects from SIB Plant Table I and associated retirements.

- Total Revenue Requirement – The revenue requirement approved in Decision No. _____, plus the SIB Revenue Requirement.

- SIB Revenue Requirement – The revenue requirement equal to the return on investment, income taxes and depreciation expense necessary to support the SIB Plant Table II amounts.

- SIB Revenue Requirement Efficiency Credit – An amount equal to 5 percent of the SIB Revenue Requirement.

- SIB Authorized Revenue – Amount equal to the SIB Revenue Requirement less the SIB Revenue Requirement Efficiency Credit plus any SIB True up Adjustment.

- Gross SIB Surcharge – Amount to be shown on customers' bills based on meter sizes without consideration to the SIB Surcharge Efficiency Credit.

- SIB Surcharge Efficiency Credit – An amount equal to 5 percent of the Gross SIB Surcharge to be shown on customers' bills.

- SIB Surcharge – The amount equal to the Gross SIB Surcharge less the SIB Surcharge Efficiency Credit to be charged based on meter size, calculated to recover the SIB Authorized Revenue, to be shown on the customers' bills.

- SIB True-up Adjustment – An amount to adjust for over or under collection of the SIB Authorized Revenues as compared with the total SIB Surcharges collected for the preceding 12 month period. Each true–up shall also analyze the cumulative over or under collections to include a comparison of all past SIB Authorized Revenues, total SIB Surcharge collections, and prior true-ups to be used in calculation of the SIB true-up surcharge or credit.

III. SIB RELATED FILINGS

A. Progress Reports – Once a SIB is approved in a decision, the Company must file with Docket Control semi-annual status reports delineating the status of all SIB Eligible Plant, on a project by project basis as listed in SIB Plant Table I, starting 6 months after the decision and every 6 months thereafter.

B. Reconciliation and True Up – Once a SIB Surcharge is implemented, the Company must file annually to true up its SIB Surcharge collections over the

the most recently updated SIB Plant Table I available unless reference is made to a particular Commission decision.

- SIB Plant Table II – The schedule of completed and verified SIB eligible projects from the latest Commission approved SIB Plant Table I and associated retirements.

- Total Revenue Requirement – The revenue requirement approved in Decision No. 74568, plus the SIB Revenue Requirement.

- SIB Revenue Requirement – The revenue requirement equal to the return on investment, income taxes and depreciation expense necessary to support the SIB Plant Table II amounts.

- SIB Revenue Requirement Efficiency Credit – An amount equal to 5 percent of the SIB Revenue Requirement.

- SIB Authorized Revenue – Amount equal to the SIB Revenue Requirement less the SIB Revenue Requirement Efficiency Credit plus any SIB True up Adjustment.

- Gross SIB Surcharge – Amount to be shown on customers' bills based on meter sizes without consideration to the SIB Surcharge Efficiency Credit.

- SIB Surcharge Efficiency Credit – An amount equal to 5 percent of the Gross SIB Surcharge to be shown on customers' bills.

- SIB Surcharge – The amount equal to the Gross SIB Surcharge less the SIB Surcharge Efficiency Credit to be charged, based on meter size, calculated to recover the SIB Authorized Revenue. The SIB Surcharge is to be shown as a separate line item on customers' bills.

- SIB True-up Adjustment – An amount to adjust for over- or under-collection of the SIB Authorized Revenues as compared with the total SIB Surcharges collected for the preceding 12 month period. Each SIB true–up shall also analyze the cumulative over- or under-collections to include a comparison of all past SIB Authorized Revenues, total SIB Surcharge collections, and prior true-ups to be used in calculation of the SIB true-up surcharge or credit by meter size.

III. SIB RELATED FILINGS

A. Progress Reports – Once a SIB is approved in a decision, the Company must file with Docket Control semi-annual status reports delineating the status of all SIB Eligible Plant, on a project by project basis as listed in the latest Commission

approved SIB Plant Table I. The initial semi-annual status report shall include only those projects from the initial SIB Plant Table I which the Company has designated as most likely to be completed in the first 12 months.

B. Reconciliation and True Up – Once a SIB Surcharge is implemented, the Company must file annually to true up its SIB Surcharge collections over the preceding twelve months with the SIB Authorized Revenue for that period and establish a surcharge or credit to true up over or under collections, regardless of whether it seeks a new surcharge. The filing dates for these annual true-ups shall be as established in the Commission's Decision approving the SIB Surcharge.

C. SIB Surcharge Requests – To obtain its SIB Surcharge the Company must file the following:

1. SIB Plant Table II[5] (with supporting information and documentation), showing the SIB eligible projects completed for which the Company seeks cost recovery. Such projects must:

   a. be projects listed in the SIB Plant Table I;

   b. have been completed by the Company;

   c. have been verified; and

   d. be actually serving customers.

2. A summary of Commission approved SIB-eligible projects contemplated for the next twelve (12)-month SIB surcharge period from SIB Plant Table I[6] from Decision No. 74568 to allow the Commission to establish the latest SIB Plant Table I.

3. SIB Schedule A (sample attached as Exhibit 3), showing a calculation of the SIB Revenue Requirement and SIB Revenue Requirement Efficiency Credit, SIB Authorized Revenue, Gross SIB Surcharge, SIB Surcharge Efficiency Credit, and the SIB Surcharge. Schedule A shall be supported by revenue requirements schedules supporting the revenue requirements in

[5] Sample attached as Exhibit 2

[6] Beginning with its SIB Surcharge Request filing for the second 12-month surcharge period, the Company may request a change from the estimated Cost/Unit (approved in the Company's most recent rate case Decision) due to inflation using the latest calendar year Consumer Price Index (see sample attached as Exhibit 1). This may be done only if the original SIB Plant Table I unit cost did not account for inflation.

Chaparral City Water Company, PWSID No. 07-017
System Improvement Benefits
SIB Progress Report
Revised March 9, 2015

The purpose of this report is to update Commission Staff on the progress of the System Improvement Benefits (SIB) projects for the Chaparral City Water System (CCWC). The SIB was approved on June 20, 2014 as part of Decision 74568 for CCWC. This status update includes the projects completed between June 21 and December 31, 2014 as part of the first 12 months of SIB, referred to as SIB Year 1, which dates from June 21, 2014 through June 20, 2015.

1. Services

The SIB service line replacement projects for SIB Year 1 are labeled S-1 through S-6 and include replacement of 247 services at a total cost of $958,558. As of December 31, 2014, 164 services have been replaced. Many of the services planned for replacement during this period did not require replacement; however, the Town of Fountain Hills requested that the service line replacements on El Pueblo Boulevard be completed during SIB Year 1 to coordinate with their paving schedule. These replacements are labeled as project S-22 and will be completed during SIB Year 1. The attached SIB Plant Table I, 1-1 shows the service replacements that were completed as part of projects S-1 though S-6 and includes the service replacements remaining as project S-22. Additionally, the attached maps for projects S-1 through S-6 show the location of the replaced services.

2. Valves

The SIB valve replacement projects for SIB Year 1 are labeled V-1 through V-7 and include replacement of 95 valves at a total cost of $453,491. As of December 31, 2014, 17 valves have been replaced. The Town of Fountain Hills requested that the valve replacements on El Pueblo Boulevard be completed during SIB Year 1 to coordinate with their paving schedule. These replacements are labeled as project V-31 and will be completed during SIB Year 1. The attached SIB Plant Table I, 2-1 shows how many valve replacements were completed as part of projects V-1 through V-7 and includes project V-31. Additionally, the attached maps for projects V-1 and V-4 through V-6 show the location of the replaced valves.

3. Hydrants

The SIB hydrant replacement projects for SIB Year 1 are labeled H-1 through H-7 and include replacement of 41 hydrants at a total cost of $453,491. As of December 31, 2014, none of these hydrants have been replaced. The attached SIB Plant Table I, 3-1 shows the planned hydrant replacements for the remainder of SIB Year 1.

4. Meters

The SIB meter replacement project for SIB Year 1 is labeled project M-1 and includes the replacement of 1,507 meters at a total cost of $314,989. As of December 31, 2014, 592 meters have been replaced. The attached SIB Plant Table I, 4-1 shows how many meters were completed in each meter route as part of project M-1.

Attachments

SIB Plant Table I, 1-1
Project S-01 Map
Project S-02 Map
Project S-03 Map
Project S-04 Map
Project S-05 Map
Project S-06 Map
SIB Plant Table I, 2-1
Project V-01 Map
Project V-04 Map
Project V-05 Map
Project V-06 Map
SIB Plant Table I, 3-1
SIB Plant Table I, 4-1

Chaparral City Water Company, PWSID No. 07-017
SIB PLANT TABLE I, 1-1
2014 Service Line Replacements
Information to be included with SIB-Eligible Project Filings

Replacement Plant Description (new plant) (SIB-eligible plant)											1. Provide narrative why Replacement Plant is necessary - replacement of existing plant that has exceeded its designated useful life and has worn out or is in deteriorating condition due to no fault of the utility - replacement of existing plant to address excessive water loss (10% or more) - replacement of existing plant for other reasons supported by persuasive showing by utility 2. Provide narrative explaining why this segment of plant is a priority. 3. Provide narrative explaining how replacing this plant will benefit existing customers. 4. Provide affirmation that Replacement Plant does not include the costs for extending or expanding facilities to serve new customers. 5. Provide reference to related page No. in the submitted detailed Engineering Analysis supporting the need for SIB. Engineering Analysis shall also include narrative explaining the utility's systematic assessment, inspection, maintenance and repair/replacement program.
Project No.	NARUC Acct No./ Plant 333 Services	Units (Quantity)	Diameter/ Size	Material	Cost/Unit (estimated)[1]	Cost/Unit (estimated)[2]	Subtotal Cost (estimated)	Site (location description)	Expected In-Service Date	Project Status	
S-1	333	40	¾" & 1"	Copper	$3,881	n/a	$155,232	Ocotillo	6/2015	22/40 completed, see S-01 project map	Replace 40 residential services (3/4" or 1") on Ocotillo between Mustang and Fountain Hills Blvd. The services are branched black poly lines (one service for two customers) that are failing at a high rate. These services are a priority because they were installed about 40 years ago, in 1974. Replacing the services will help reduce system water loss and improve customer pressure and flow with a single service for each customer. The service line replacements are for existing customers and not related to new growth. See Map No. S-1 in Exhibit CC-1 for the locations of the replacements.
S-2	333	105	¾" & 1"	Copper	$3,881	n/a	$407,484	Mustang	6/2015	73/105 completed, see S-02 project map	Replace 105 residential services (3/4" or 1") on Mustang between Palisades and Fountain Hills Blvd. The services are branched black poly lines (one service for two customers) that are failing at a high rate. These services are a priority because they were installed about 38 years ago, in 1976. Replacing the services will help reduce system water loss and improve customer pressure and flow with a single service for each customer. The service line replacements are for existing customers and not related to new growth. See Map No. S-2 in Exhibit CC-1 for the locations of the replacements.

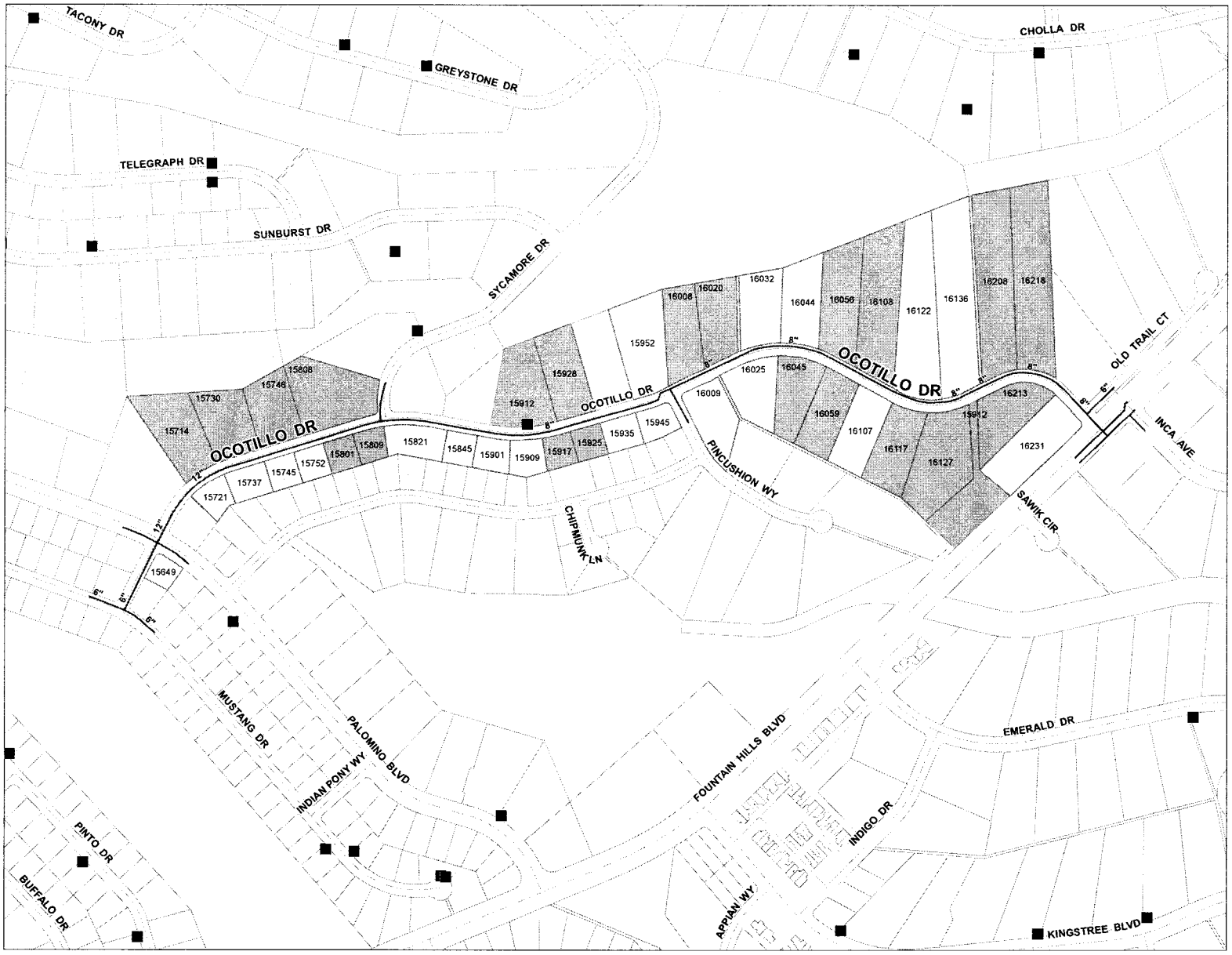
[1] Per the Commission approved Initial SIB Table I.

[2] Beginning with its SIB Surcharge Request filing for Year Two, the Company may request a change from the estimated Cost/Unit (in the Commission approved Initial SIB Table I) due to inflation using the latest calendar year Consumer Price Index. This may be done only if the Initial SIB Plant Table I unit cost did not account for inflation.

S-3	333	13	¾" & 1"	Copper	$3,881	n/a	$50,450	Spotted Horse	6/2015	7/13 completed, see S-03 project map	Replace 13 residential services (3/4" or 1") on Spotted Horse between Mustang and Westridge. The services are branched black poly lines (one service for two customers) that are failing at a high rate. These services are a priority because they were installed about 35 years ago, in 1979. Replacing the services will help reduce system water loss and improve customer pressure and flow with a single service for each customer. The service line replacements are for existing customers and not related to new growth. See Map No. S-3 in Exhibit CC-1 for the locations of the replacements.
S-4	333	37	¾" & 1"	Copper	$3,881	n/a	$143,590	Buffalo	6/2015	28/37 completed, see S-04 project map	Replace 37 residential services (3/4" or 1") on Buffalo between Mustang and Fountain Hills Blvd. The services are branched black poly lines (one service for two customers) that are failing at a high rate. These services are a priority because they were installed about 38 years ago, in 1976. Replacing the services will help reduce system water loss and improve customer pressure and flow with a single service for each customer. The service line replacements are for existing customers and not related to new growth. See Map No. S-4 in Exhibit CC-1 for the locations of the replacements.
S-5	333	9	¾" & 1"	Copper	$3,881	n/a	$34,927	Garland	6/2015	3/9 completed, see S-05 project map	Replace 9 residential services (3/4" or 1") on Garland between Buffalo and Palatial. The services are branched black poly lines (one service for two customers) that are failing at a high rate. The services are located on a short dead-end street off of Buffalo, which is scheduled for service line replacements in the same year (project S-4). Replacing the services will help reduce system water loss and improve customer pressure and flow with a single service for each customer. The service line replacements are for existing customers and not related to new growth. See Map No. S-5 in Exhibit CC-1 for the locations of the replacements.
S-6	333	43	¾" & 1"	Copper	$3,881	n/a	$166,874	Pinto	6/2015	31/43 completed, see S-06 project map	Replace 43 residential services (3/4" or 1") on Pinto between Palomino and Fountain Hills Blvd. The services are branched black poly lines (one service for two customers) that are failing at a high rate. These services are a priority because they were installed about 38 years ago, in 1976. Replacing the services will help reduce system water loss and improve customer pressure and flow with a single service for each customer. The service line replacements are for existing customers and not related to new growth. See Map No. S-6 in Exhibit CC-1 for the locations of the replacements.

S-22	333	84	¾" & 1"	Copper	$3,881	n/a	$325,987	El Pueblo	6/2015	0/84 completed	Replace 84 residential services (3/4" or 1") on El Pueblo between Fountain Hills Blvd and Caliente. The services are branched black poly lines (one service for two customers) that are failing at a high rate. These services are a priority because they were installed in 1972 and will be 43 years old in 2015. Additionally, the Town of Fountain Hills will be paving El Pueblo Road in 2015 and has requested that these services be replaced before the paving begins. Replacing the services will help reduce system water loss and improve customer pressure and flow with a single service for each customer. The service line replacements are for existing customers and not related to new growth. See Map No. S-22 in Exhibit CC-1 for the locations of the replacements.
						Estimated Total Cost	**$1,284,545**				

Revised 4/1/2014



2014

Project No: S-01 • PWSID: 07-017

Chaparral District

Fountain Hills

project area:

Ocotillo

project desciption:

Replace 40 residential services (3/4" or 1") on Ocotillo between Mustang and Fountain Hills Blvd.

Legend

- Service Previously Replaced
- Water Main
- Service to be Replaced
- Completed Services 2014

N

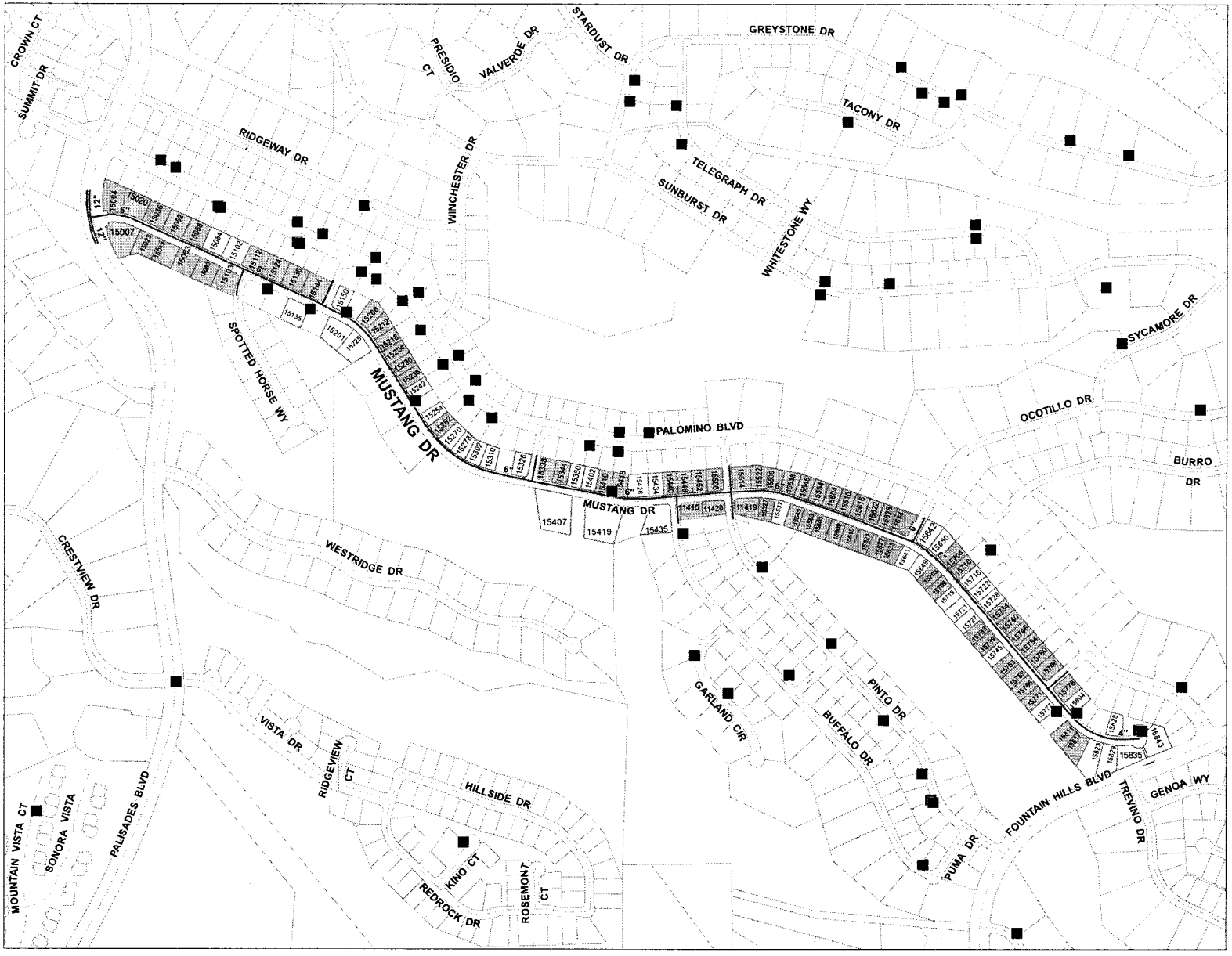
130 65 0 130 260 390 520

scale in feet

2355 W. Pinnacle Peak Rd.
Suite 300
Phoenix, AZ 85027

EPCOR WATER

created: 1/13/2015



2014

Project No: S-02 • PWSID: 07-017

Chaparral District

Fountain Hills

project area:

Mustang

project desciption:

Replace 105 residential services (3/4" or 1")
on Mustang
between Palisades and Fountain Hills Blvd.

Legend

- Service Previously Replaced
- Water Main
- Service to be Replaced
- Completed Services 2014

N

190 95 0 190 380 570 760
scale in feet

2355 W. Pinnacle Peak Rd.
Suite 300
Phoenix, AZ 85027

EPCOR WATER

created: 1/13/2015

EPCOR Water 2013 • prepared by Engineering Mapping Solutions - Phoenix, AZ

2014

Project No: S-03 • PWSID: 07-017

Chaparral District

Fountain Hills

project area:

Spotted Horse

project desciption:

Replace 13 residential services (3/4" or 1")
on Spotted Horse
between Mustang and Westridge.

Legend

- Service Previously Replaced
- Water Main
- Service to be Replaced
- Completed Services 2014

50 25 0 50 100 150 200
scale in feet

2355 W. Pinnacle Peak Rd.
Suite 300
Phoenix, AZ 85027

EPCOR WATER

created: 1/13/2015

2014

Project No: S-04 • PWSID: 07-017

Chaparral District

Fountain Hills

project area:

Buffalo

project desciption:

Replace 37 residential services (3/4" or 1") on Buffalo between Mustang and Fountain Hills Blvd.

Legend

- Service Previously Replaced
- Water Main
- Service to be Replaced
- Completed Services 2014

N

80 40 0 80 160 240 320

scale in feet

2355 W. Pinnacle Peak Rd.
Suite 300
Phoenix, AZ 85027

EPCOR WATER

created: 1/13/2015

EPCOR Water 2013 • prepared by Engineering Mapping Solutions - Phoenix, AZ

2014

Project No: S-05 • PWSID: 07-017

Chaparral District

Fountain Hills

project area:

Garland

project desciption:

Replace 9 residential services (3/4" or 1")
on Garland
between Buffalo and Palatial.

Legend

- Service Previously Replaced
- Water Main
- Service to be Replaced
- Completed Services 2014

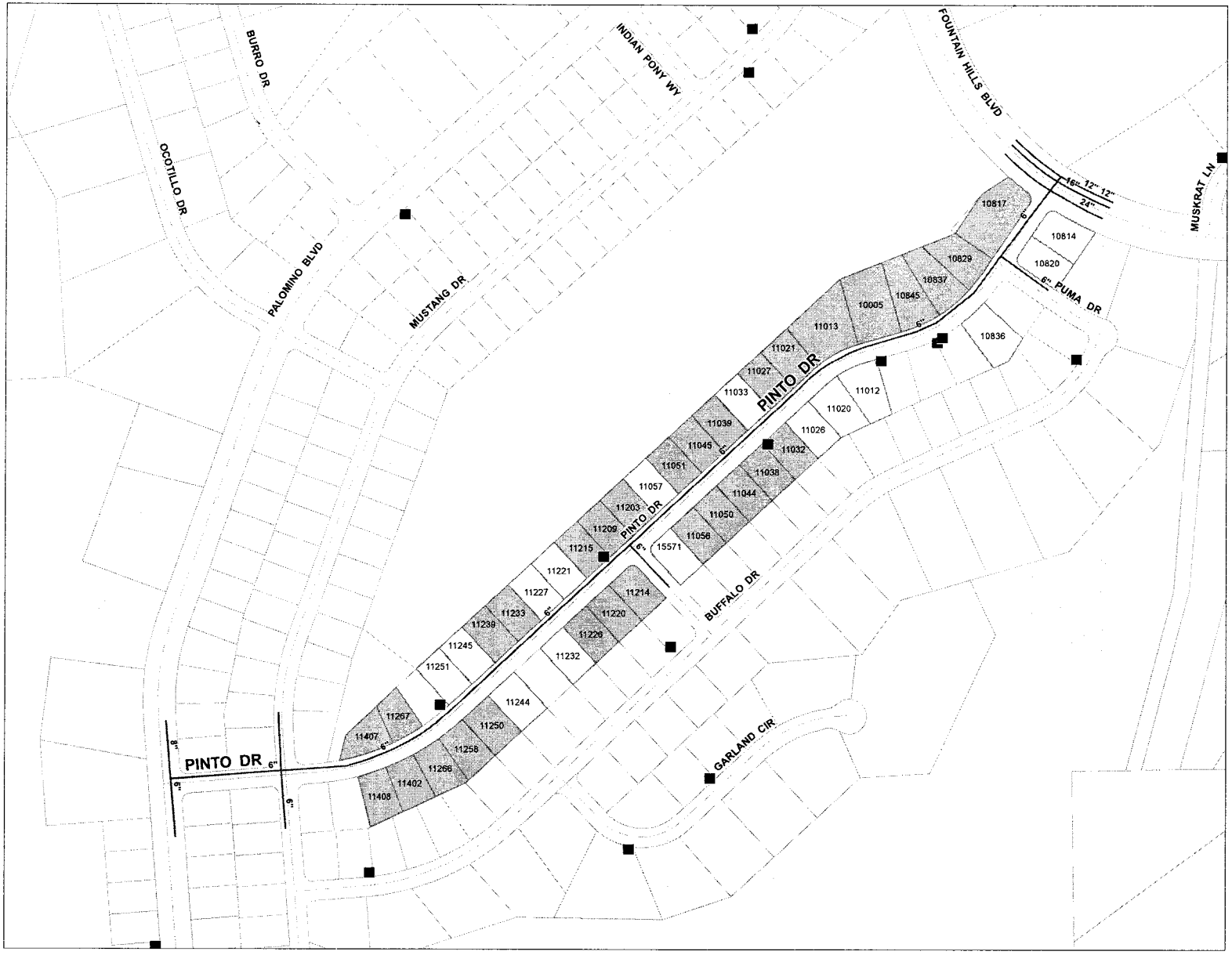
50 25 0 50 100 150 200

scale in feet

2355 W. Pinnacle Peak Rd.
Suite 300
Phoenix, AZ 85027

EPCOR WATER

created: 1/13/2015



2014

Project No: S-06 • PWSID: 07-017

Chaparral District

Fountain Hills

project area:

Pinto

project desciption:

Replace 43 residential services (3/4" or 1")
on Pinto
between Palomino and Fountain Hills Blvd.

Legend

- Service Previously Replaced
- Water Main
- Service to be Replaced
- Completed Services 2014

N

90 45 0 90 180 270 360

scale in feet

2355 W. Pinnacle Peak Rd.
Suite 300
Phoenix, AZ 85027

EPCOR WATER

created: 1/13/2015

Chaparral City Water Company, PWSID No. 07-017
SIB PLANT TABLE I, 2-1
2014 Valve Replacements
Information to be included with SIB-Eligible Project Filings

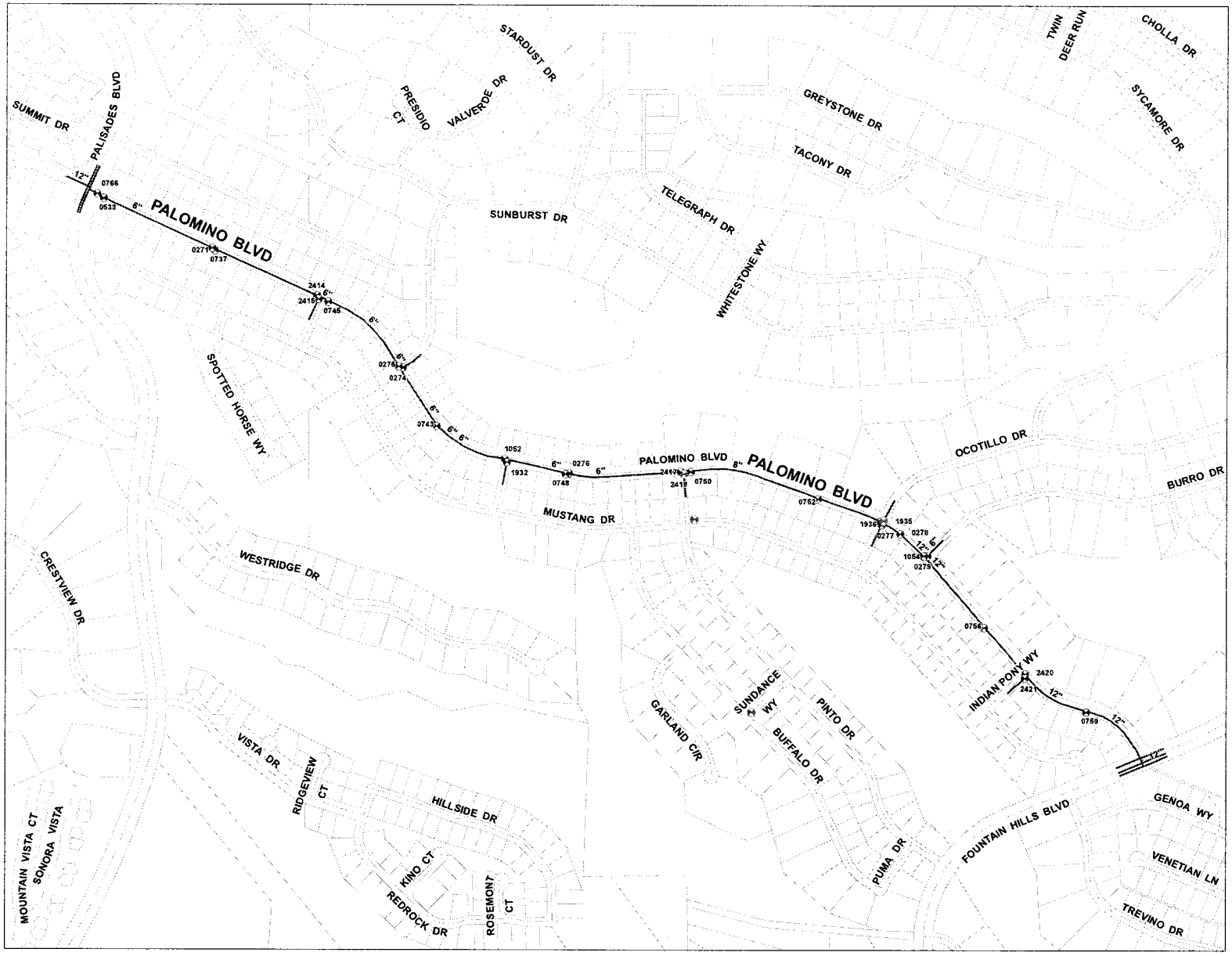
Replacement Plant Description (new plant) (SIB-eligible plant)											1. Provide narrative why Replacement Plant is necessary - replacement of existing plant that has exceeded its designated useful life and has worn out or is in deteriorating condition due to no fault of the utility - replacement of existing plant to address excessive water loss (10% or more) - replacement of existing plant for other reasons supported by persuasive showing by utility 2. Provide narrative explaining why this segment of plant is a priority. 3. Provide narrative explaining how replacing this plant will benefit existing customers. 4. Provide affirmation that Replacement Plant does not include the costs for extending or expanding facilities to serve new customers. 5. Provide reference to related page No. in the submitted detailed Engineering Analysis supporting the need for SIB. Engineering Analysis shall also include narrative explaining the utility's systematic assessment, inspection, maintenance and repair/replacement program.
Project No.	NARUC Acct No./ Plant **331 T&D Mains/ Valves**	Units (Quantity)	Diameter/ Size	Material	Cost/Unit (estimated)[1]	Cost/Unit (estimated)[2]	Subtotal Cost (estimated)	Site (location description)	Expected In-Service Date	Project Status	
V-1	331	28	23-6" 1-8" 4-12"	cast iron with rubberized epoxy coating	6"-$4,651 8"-$5,201 12"-$6,173	n/a	$136,862	Palomino	6/2015	1/28 completed, see V-01 project map	Replace 23-6", 1-8", 4-12" valves (28 total) on Palomino between Palisades and Fountain Hills Blvd. Distribution system valves that are no longer functioning because they are primarily uncoated butterfly valves which are prone to tuberculation. These valves are a priority because they were installed in 1976 and will be 38 years old in 2014. Replacing the valves decreases time required to shutdown water main in the event of main break or other system maintenance which reduces customer service disruption and decreases water loss during a main breaks. The valve replacements are not related to new growth. Map V-1 in Exhibit CC-1 shows the location of these valves.

[1] Per the Commission approved Initial SIB Table I.

[2] Beginning with its SIB Surcharge Request filing for Year Two, the Company may request a change from the estimated Cost/Unit (in the Commission approved Initial SIB Table I) due to inflation using the latest calendar year Consumer Price Index. This may be done only if the Initial SIB Plant Table I unit cost did not account for inflation.

V-2	331	34	31-6" 1-4" 2-12"	cast iron with rubberized epoxy coating	4"-$4,431 6"-$4,651 12"-$6,173	n/a	$160,952	Mustang	6/2015	0/34 completed	Replace 31-6", 1-4", and 2-12" valves (34 total) on Mustang between Palisades and Fountain Hills Blvd. Distribution system valves are no longer functioning because they are primarily uncoated butterfly valves which are prone to tuberculation. These valves are a priority because they were installed in 1977 and will be 37 years old in 2014. Replacing the valves decreases time required to shutdown water main in the event of main break or other system maintenance which reduces customer service disruption and decreases water loss during a main breaks. The valve replacements are not related to new growth. Map V-2 in Exhibit CC-1 shows the location of these valves.
V-3	331	1	6"	cast iron with rubberized epoxy coating	$4,651	n/a	$4,651	Spotted Horse	6/2015	0/1 completed	Replace 1-6" valve on Spotted Horse between Mustang and Westridge. Distribution system valves are no longer functioning because they are primarily uncoated butterfly valves which are prone to tuberculation. This valve is a priority because it was installed in 1979 and will be 35 years and is needed in order to operate the only hydrants on this street. Replacing valves decreases time required to shutdown water main in the event of main break or other system maintenance which reduces customer service disruption and decreases water loss during a main breaks. The valve replacements are not related to new growth. Map V-3 in Exhibit CC-1 shows the location of this valve.
V-4	331	10	6"	cast iron with rubberized epoxy coating	$4,651	n/a	$46,508	Buffalo	6/2015	9/10 completed, see V-04 project map	Replace 10-6" valves on Buffalo between Mustang and Fountain Hills Blvd. Distribution system valves are no longer functioning because they are primarily uncoated butterfly valves which are prone to tuberculation. These valves are a priority because they were installed in 1976 and will be 38 years old in 2014. Replacing the valves decreases time required to shutdown water main in the event of main break or other system maintenance which reduces customer service disruption and decreases water loss during a main breaks. The valve replacements are not related to new growth. Map V-4 in Exhibit CC-1 shows the location of these valves.
V-5	331	1	6"	cast iron with rubberized epoxy coating	$4,651	n/a	$4,651	Garland	6/2015	1/1 completed, see V-05 project map	Replace 1-6" valve on Garland between Buffalo and Palatial. Distribution system valves are no longer functioning because they are primarily uncoated butterfly valves which are prone to tuberculation. This valve is suffering from corrosion and is the only way to isolate Garland Circle. Replacing valves decreases time required to shutdown water main in the event of main break or other system maintenance which reduces customer service disruption and decreases water loss during a main breaks. The valve replacements are not related to new growth. Map V-5 in Exhibit CC-1 shows the location of this valve.

V-6	331	10	6"	cast iron with rubberized epoxy coating	$4,651	n/a	$46,508	Pinto	6/2015	6/10 completed, see V-06 project map	Replace 10-6" valves on Pinto between Palomino and Fountain Hills Blvd. Distribution system valves are no longer functioning because they are primarily uncoated butterfly valves which are prone to tuberculation. These valves are a priority because they were installed in 1976 and will be 38 years old in 2014. Replacing the valves decreases time required to shutdown water main in the event of main break or other system maintenance which reduces customer service disruption and decreases water loss during a main breaks. The valve replacements are not related to new growth. Map V-6 in Exhibit CC-1 shows the location of these valves.
V-7	331	11	7-6" 4-8"	cast iron with rubberized epoxy coating	6"-$4,651 8"-$5,201	n/a	$53,359	Ocotillo	6/2015	0/11 completed	Replace 7-6" and 4-8" valves (11 total) on Ocotillo between Mustang and Fountain Hills Blvd. Distribution system valves are no longer functioning because they are primarily uncoated butterfly valves which are prone to tuberculation. These valves are a priority because they were installed in 1974 and will be 40 years old in 2014. Replacing the valves decreases time required to shutdown water main in the event of main break or other system maintenance which reduces customer service disruption and decreases water loss during a main breaks. The valve replacements are not related to new growth. Map V-7 in Exhibit CC-1 shows the location of these valves.
V-31	331	33	1-4" 19-6" 5-8" 8-12"	cast iron with rubberized epoxy coating	4"-$4,431 6"-$4,651 8"-$5,201 12"-$6,173	n/a	$168,186	El Pueblo	6/2015	0/33 completed	Replace 1-4", 19-6", 5-8", 8-12" (33 total) valves on El Pueblo between Fountain Hills Blvd and Escalante. Distribution system valves are no longer functioning because they are primarily uncoated butterfly valves which are prone to tuberculation. These valves were installed in 1973 and will be 42 years old in 2015. Replacing the valves decreases time required to shutdown water main in the event of main break or other system maintenance which reduces customer service disruption and decreases water loss during a main breaks. Additionally, the Town of Fountain Hills will be paving El Pueblo Road in 2015 and has requested that these valves be replaced before the paving begins. The valve replacements are not related to new growth. Map V-31 in Exhibit CC-1 shows the location of these valves.
						Estimated Total Cost	**$621,677**				



2014

Project No: V-01 • PWSID: 07-017

Chaparral District

Fountain Hills

project area:

Palomino

project desciption:

Replace 23-6", 1-8", 4-12" valves (28 total) on Palomino between Palisades and Fountain Hills Blvd.

Legend

- Valves previously replaced
- Street valve emergency replacement 2014
- Street valve replaced 2014
- Valves to be replaced
- Water Main

N

200 100 0 200 400 600 800

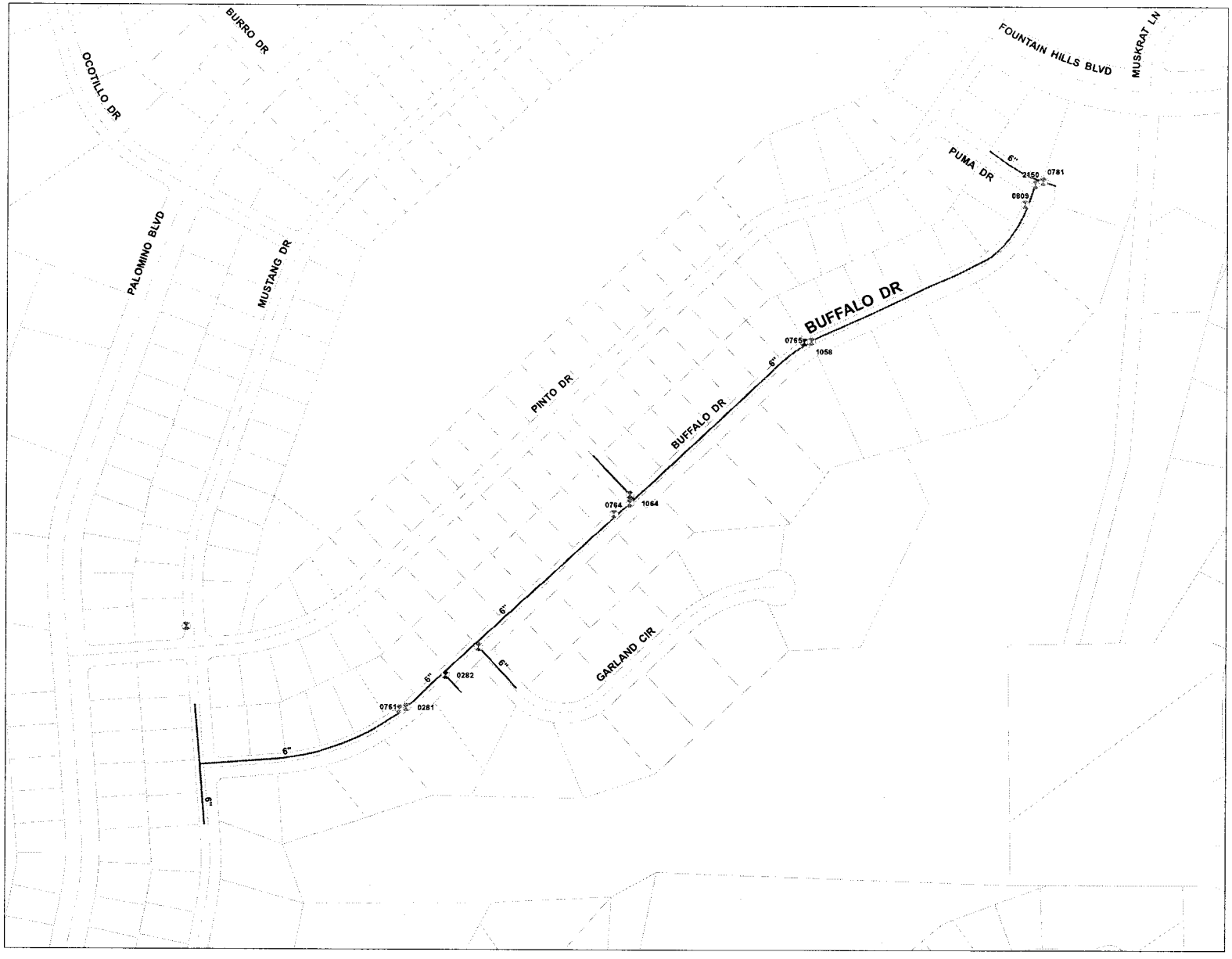
scale in feet

2355 W. Pinnacle Peak Rd.
Suite 300
Phoenix, AZ 85027

EPCOR WATER

created: 1/16/2015

EPCOR Water 2013 • prepared by Engineering Mapping Solutions - Phoenix, AZ



2014

Project No: V-04 • PWSID: 07-017

Chaparral District

Fountain Hills

project area:

Buffalo

project desciption:

Replace 10-6" valves
on Buffalo
between Mustang and Fountain Hills Blvd.

Legend

- Valves previously replaced
- Street valve emergency replacement 2014
- Street valve replaced 2014
- Valves to be replaced
- Water Main

80 40 0 80 160 240 320
scale in feet

2355 W. Pinnacle Peak Rd.
Suite 300
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EPCOR WATER

created: 1/16/2015

2014

Project No: V-05 • PWSID: 07-017

Chaparral District

Fountain Hills

project area:

Garland

project desciption:

Replace 1-6" valve
on Garland
between Buffalo and Palatial.

Legend

- Valves previously replaced
- Street valve emergency replacement 2014
- Street valve replaced 2014
- Valves to be replaced
- Water Main

N

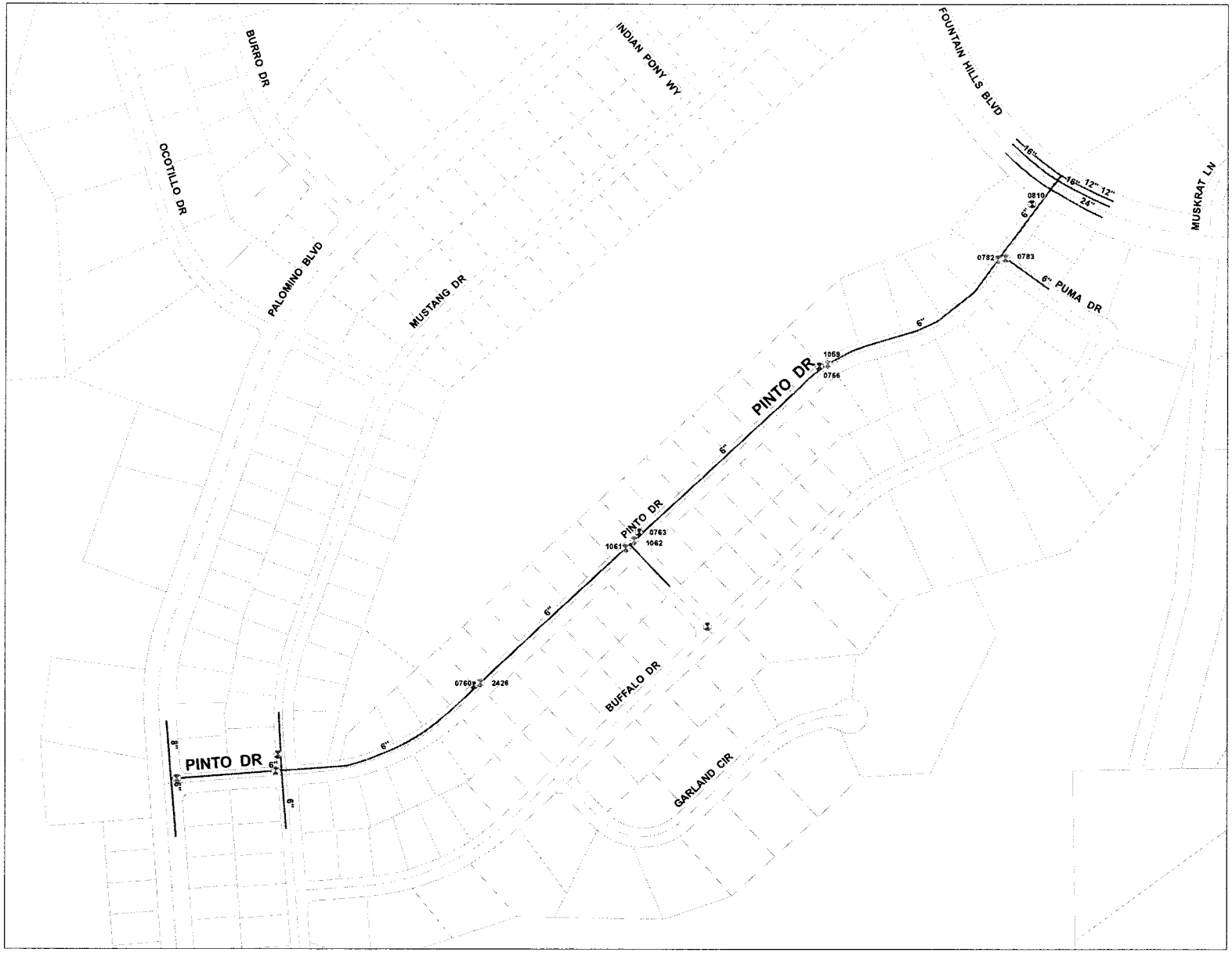
50 25 0 50 100 150 200

scale in feet

2355 W. Pinnacle Peak Rd.
Suite 300
Phoenix, AZ 85027

EPCOR WATER

created: 1/16/2015



2014

Project No: V-06 • PWSID: 07-017

Chaparral District

Fountain Hills

project area:

Pinto

project desciption:

Replace 10-6" valves
on Pinto
between Palomino and Fountain Hills Blvd.

Legend

- Valves previously replaced
- Street valve emergency replacement 2014
- Street valve replaced 2014
- Valves to be replaced
- Water Main

90 45 0 90 180 270 360
scale in feet

2355 W. Pinnacle Peak Rd.
Suite 300
Phoenix, AZ 85027

EPCOR WATER

created: 1/16/2015

EPCOR Water 2013 • prepared by Engineering Mapping Solutions - Phoenix, AZ

Chaparral City Water Company, PWSID No. 07-017
SIB PLANT TABLE I, 3-1
2014 Hydrant Replacements
Information to be included with SIB-Eligible Project Filings

Replacement Plant Description (new plant) (SIB-eligible plant)											1. Provide narrative why Replacement Plant is necessary - replacement of existing plant that has exceeded its designated useful life and has worn out or is in deteriorating condition due to no fault of the utility - replacement of existing plant to address excessive water loss (10% or more) - replacement of existing plant for other reasons supported by persuasive showing by utility 2. Provide narrative explaining why this segment of plant is a priority. 3. Provide narrative explaining how replacing this plant will benefit existing customers. 4. Provide affirmation that Replacement Plant does not include the costs for extending or expanding facilities to serve new customers. 5. Provide reference to related page No. in the submitted detailed Engineering Analysis supporting the need for SIB. Engineering Analysis shall also include narrative explaining the utility's systematic assessment, inspection, maintenance and repair/replacement program.
Project No.	NARUC Acct No./ Plant **335 Hydrants**	Units (Quantity)	Diameter/ Size	Material	Cost/Unit (estimated)[1]	Cost/Unit (estimated)[2]	Subtotal Cost (estimated)	Site (location description)	Expected In-Service Date	Project Status	
H-1	335	8	n/a	Cast Iron/ AVK Wet Barrel	$2,262	n/a	$18,093	Palomino	6/2015	0/8 completed	Replace 8 fire hydrants on Palomino between Palisades and Fountain Hills Blvd. The fire hydrants are in deteriorating condition and are approximately 35 years old. These are Dresser hydrants, for which we can no longer obtain repair parts. Three hydrants on this street have already needed replacement within the last 6 years. Replacing the hydrants will improve fire flow availability and response times in the event of fire at a customer's home or business. The hydrant replacements are for existing customers and not related to new growth. See the map for Project H-1 in Exhibit CC-1 which shows the locations of the future replacements.

[1] Per the Commission approved Initial SIB Table I.

[2] Beginning with its SIB Surcharge Request filing for Year Two, the Company may request a change from the estimated Cost/Unit (in the Commission approved Initial SIB Table I) due to inflation using the latest calendar year Consumer Price Index. This may be done only if the Initial SIB Plant Table I unit cost did not account for inflation.

H-2	335	10	n/a	Cast Iron/ AVK Wet Barrel	$2,262	n/a	$22,616	Mustang	6/2015	0/10 completed	Replace 10 fire hydrants on Mustang between Palisades and Fountain Hills Blvd. The fire hydrants are in deteriorating condition and are 37 years old. These are Dresser hydrants, for which we can no longer obtain repair parts. One hydrant on this street has already needed replacement within the last 6 years. Replacing the hydrants will improve fire flow availability and response times in the event of fire at a customer's home or business. The hydrant replacements are for existing customers and not related to new growth. See the map for Project H-2 in Exhibit CC-1 which shows the locations of the future replacements.
H-3	335	1	n/a	Cast Iron/ AVK Wet Barrel	$2,262	n/a	$2,262	Spotted Horse	6/2015	0/1 completed	Replace 1 fire hydrant on Spotted Horse between Mustang and Westridge. The fire hydrant is in deteriorating condition and is 34 years old. This is a Dresser hydrant, for which we can no longer obtain repair parts. Replacing the hydrant will improve fire flow availability and response times in the event of fire at a customer's home or business. The hydrant replacement is for existing customers and not related to new growth. See the map for Project H-3 in Exhibit CC-1 which shows the location of the future replacement.
H-4	335	1	n/a	Cast Iron/ AVK Wet Barrel	$2,262	n/a	$2,262	Buffalo	6/2015	0/1 completed	Replace 1 fire hydrant on Buffalo between Mustang and Puma. The fire hydrant is in deteriorating condition and is 37 years old. This is a Dresser hydrant, for which we can no longer obtain repair parts. The other 3 hydrants on this street have already needed replacement. Replacing the hydrant will improve fire flow availability and response times in the event of fire at a customer's home or business. The hydrant replacement is for existing customers and not related to new growth. See the map for Project H-4 in Exhibit CC-1 which shows the location of the future replacement.
H-5	335	10	n/a	Cast Iron/ AVK Wet Barrel	$2,262	n/a	$22,620	Sunburst	6/2015	0/10 completed	Replace 10 fire hydrants on Sunburst between Palisades and Sycamore. The fire hydrants are in deteriorating condition and 2 hydrants on this street have already needed replacement. These are Dresser hydrants, for which we can no longer obtain repair parts. Two hydrants on this street have already needed replacement within the last 6 years. Replacing the hydrants will improve fire flow availability and response times in the event of fire at a customer's home or business. The hydrant replacements are for existing customers and not related to new growth. See the map for Project H-5 in Exhibit CC-1 which shows the locations of the future replacements.

H-6	335	4	n/a	Cast Iron/ AVK Wet Barrel	$2,262	n/a	$9,046	Pinto, Pincushion	6/2015	0/4 completed	Replace 4 fire hydrants on Burro and Pincushion between Palomino and Ocotillo. The fire hydrants are in deteriorating condition and are approximately 37 years old. These are Dresser hydrants, for which we can no longer obtain repair parts. Replacing the hydrants will improve fire flow availability and response times in the event of fire at a customer's home or business. The hydrant replacements are for existing customers and not related to new growth. See the map for Project H-6 in Exhibit CC-1 which shows the locations of the future replacements.
H-7	335	7	n/a	Cast Iron/ AVK Wet Barrel	$2,262	n/a	$15,831	Ocotillo	6/2015	0/7 completed	Replace 7 fire hydrants on Ocotillo between Mustang and Fountain Hills Blvd. The fire hydrants are in deteriorating condition and are approximately 39 years old. These are Dresser hydrants, for which we can no longer obtain repair parts. Replacing the hydrants will improve fire flow availability and response times in the event of fire at a customer's home or business. The hydrant replacements are for existing customers and not related to new growth. See the map for Project H-7 in Exhibit CC-1 which shows the locations of the future replacements.
						Estimated Total Cost	**$453,491**				

Revised 4/1/2014

Chaparral City Water Company, PWSID No. 07-017
SIB PLANT TABLE I, 4-1
2014 Meter Replacements
Information to be included with SIB-Eligible Project Filings

Replacement Plant Description (new plant) (SIB-eligible plant)											1. Provide narrative why Replacement Plant is necessary - replacement of existing plant that has exceeded its designated useful life and has worn out or is in deteriorating condition due to no fault of the utility - replacement of existing plant to address excessive water loss (10% or more) - replacement of existing plant for other reasons supported by persuasive showing by utility 2. Provide narrative explaining why this segment of plant is a priority. 3. Provide narrative explaining how replacing this plant will benefit existing customers. 4. Provide affirmation that Replacement Plant does not include the costs for extending or expanding facilities to serve new customers. 5. Provide reference to related page No. in the submitted detailed Engineering Analysis supporting the need for SIB. Engineering Analysis shall also include narrative explaining the utility's systematic assessment, inspection, maintenance and repair/replacement program.
Project No.	NARUC Acct No./ Plant **334 Meters**	Units (Quantity)	Diameter/ Size	Material	Cost/Unit (estimated)[1]	Cost/Unit (estimated)[2]	Subtotal Cost (estimated)	Site (location description)	Expected In-Service Date	Project Status	
M-1	334	1,507	¾" to >2"	Copper/ Plastic	¾"-$195 1"-$234 1½"-$367 2"-$447 >2"-$1,223	n/a	$314,989	Meter Routes 8, 9, and 87 (see map M-1 in Exhibit CC-1)	6/2015	224/495 completed in route 8, 286/820 completed in route 9, 82/192 completed in route 87 426 – ¾" 153 – 1" 7 – 1.5" 6 – 2"	Replace 1,134 - ¾", 348 – 1", 16 – 1.5", 6 – 2", and 3 - >2" (1,507 total) meters in CCWC meter routes 8, 9, and 87. The existing meters are between 10 and 15 years old and are experiencing a rapid decline in meter accuracy. Route 8 was chosen for completion in 2014 because the meters are the oldest in the system. Routes 9 and 87 were chosen to complete in the same year due to their vicinity to Route 8. Prior to replacement, a 10% sample of the route meters will be tested for accuracy. The new meters will help reduce system water loss to below 10%. The meter replacements are for existing customers and not related to new growth. See Section 4 of the SIB Report (Exhibit CC-1) for more explanation. See map M-1 in Exhibit CC-1 for the location of the meter routes.
						Estimated Total Cost	$314,989				

Revised 4/1/2014

[1] Per the Commission approved Initial SIB Table I.

[2] Beginning with its SIB Surcharge Request filing for Year Two, the Company may request a change from the estimated Cost/Unit (in the Commission approved Initial SIB Table I) due to inflation using the latest calendar year Consumer Price Index. This may be done only if the Initial SIB Plant Table I unit cost did not account for inflation.